



SPREADING THE  
WAGES OF CAPITAL

BRITISH ISLES  
SHARE SCHEMES SYMPOSIUM  
LONDON 2020

REFORMING ALL-EMPLOYEE  
SHARE OWNERSHIP PLANS

THURSDAY MARCH 26  
LINKLATERS  
LONDON

# British Isles symposium 2020

Thursday March 26

Venue: Linklaters, One Silk Street, London EC2Y 8HQ

The Esop Centre's fourth **British Isles share schemes symposium** will be hosted by senior legal member **Linklaters** at its London offices on **Thursday March 26 2020**.

The full-day event will include a dozen talks and debates on employee equity plans in both UK based public quoted companies and in SMEs. The event will include a buffet lunch and conclude with an informal drinks reception.

Speaker commitments have been received from Centre members **Bird & Bird; David Craddock Consultancy Services; Deloitte; EO Transitions; Equiniti; Pett Franklin; RM2**; and from sponsor **Linklaters**. Centre chairman **Malcolm Hurlston CBE** will give the opening address asking *How can all-employee share plan schemes be re-set to make them more popular with companies and employees?*

The Programme will be split into three sections:

Section one will be dedicated to key aspects of tax-approved all-employee plans, share plan regulation and the Centre's campaign for the Crown Dependencies.

In section two we'll examine the changed criteria for the vesting of executive equity incentives.

Section three will be devoted to employee equity arrangements for SMEs, whether privately owned or listed on AIM or similar.

Delegate prices:

Practitioner Centre members: £395

Practitioner non-members: £595

delegates from plan issuer companies will be admitted free of charge.

All attendance fees quoted above are subject to UK VAT.

To reserve your place at the symposium please contact the team at [events@esopcentre.com](mailto:events@esopcentre.com) or call +44 (0)207 239 4971

# Programme outline

## Section one

### **How should all-employee share plan schemes be re-set to make them more popular with companies and employees?**

- ◆ *Are participation levels in all-employee UK share schemes satisfactory? What should government and industry/commerce do to improve them?*
- ◆ *Why the Enterprise Management Incentive (EMI) needs to be transformed into an all-employee share option scheme*

### **CSOP, the forgotten discretionary share scheme; unlocking its potential and avoiding its hidden pitfalls**

- ◆ *There is renewed interest in establishing Company Share Option Plans in the workplace. How does this tax-approved plan work?*
- ◆ *What are the benefits of CSOPs for employers and employees and traps to look out for?*

### **The changing landscape of investor and corporate governance expectations**

- ◆ *Regulatory developments impacting remuneration in the financial services sector have resulted in a number of challenges to the way banks and financial services firms were operating their incentive arrangements*
- ◆ *Listed company investors and corporate governance expectations are now 'catching up', with concepts that the FS sector have been dealing with for some time coming to the fore, such as:*
  - ◆ *Operating malus and clawback in practice*
  - ◆ *Use of discretion in determining vesting outcomes*
  - ◆ *Measuring non-financial risk and culture as part of incentive plans*
- ◆ *This talk will discuss what listed companies can learn from the challenges and developments faced by the FS sector in share plan design and operation*

### **How do you ensure that all employee plans (Sharesave and SIP) continue to be relevant and provide benefits for today's workforce?**

- ◆ *How popular are they now?*
- ◆ *What are the challenges?*
- ◆ *How to engage employees & how to make the plans a success.*

# Programme outline

## Section one—continued

### Cost effective global equity plans

- ◆ *What's the big idea? -corporate branding; productivity drive; non-salary incentive and/or employee loyalty?*
- ◆ *Choosing the right global equity plan: worldwide ESPPs - still the poster child?*
- ◆ *Options v Shares, executive and all-employee schemes, contributory v non-contributory, measuring success*
- ◆ *Out-sourcing global share plans: what are the advantages?*
- ◆ *Employees in remote jurisdictions - should they participate too?*
- ◆ *Managing employee share plans in cross-border takeovers*

### How to improve employee share plan participation rates

- ◆ *What employee share plans hope to achieve in the workplace*
- ◆ *Communication strategies used by share plan sponsoring companies*
- ◆ *Do the current tax incentives awarded to 'Approved' share scheme participants make a difference?*

### The Crown Dependencies:

- ◆ *Future relations with the UK government and the impact of Brexit*
- ◆ *Employee benefit trusts and employee share ownership*
- ◆ *share plan administration and fiduciary duties*

### Share plan administrators & data privacy fines?

- ◆ *How should share plan administrators react to the total **£282m** General Data Protection Regulation (GDPR) fines imposed by the ICO on BA and Marriott Hotels? Does the US \$5bn data privacy fine imposed on Facebook re Cambridge Analytica affect UK plan administrators?*
- ◆ *Staying compliant with GDPR – what are the base requirements and how are they being put into practice by share plan administrators?*

### Brexit: the aftermath

- ◆ *How have employee share plan operations been affected by Brexit?*
- ◆ *Has share plan personal data transfer **from** the EU to UK share plan sponsors been restricted since Brexit?*
- ◆ *Tax and NICs implications for mobile British employees working on secondment within the EU, post Brexit*
- ◆ *Has Brexit impacted the willingness of major UK companies either to launch new share plans within the EU, or to maintain existing international share plans?*

**NB: The Brexit slot title will be finalised when we know the shape of the Withdrawal Agreement – if there is one.**

# Programme outline

## Section two

### Executive equity incentives

Hard and **soft** law changes affecting directors' remuneration

- ◆ *How will the EU Shareholder Rights Directive affect Eso plans? What does it hope to achieve and will it succeed?*
- ◆ *Do changes in the UK Corporate Governance Code go far enough?*
- ◆ *Does the Investment Association's 'Sin Bin' – naming and shaming companies which suffer major shareholder revolts - serve any useful purpose?*

Is executive reward a racket? (panel discussion)

- ◆ *Huge bonuses at rail franchise failure Stagecoach; Persimmon, executive pay offs at Deutsche Bank; pension cash contributions.....What is going on?*
- ◆ *Are remuneration committees still poodles?*
- ◆ *Time to curb executive **golden hellos** and **golden parachutes**?*
- ◆ *What are the gatekeepers doing? – Investment Association and the ex FRC (now Audit, Reporting and Governance Authority - ARG)*
- ◆ *The corporate social responsibility agenda?*

Executive reward packages

- ◆ *Key events impacting the remuneration landscape and how companies have responded to them*
- ◆ *What are the latest trends in equity reward performance targets?*
- ◆ *How best to reward key players?*
- ◆ *Transparency, alignment of pay to long term success, stretching performance conditions and reducing complexity – carved in stone?*

All-employee share plan/executive equity plan case histories or executive equity plan (*more than 100 participants*)

- ◆ *What were the objectives of the share/options plan?*
- ◆ *Roll out experience, communications, take-up rate, jurisdictional issues,*
- ◆ *Employees' feed back, lessons learned*

# Programme outline

## Section three

### Employee share ownership opportunities for smaller companies

#### Why the Enterprise Management Incentive (EMI) is booming

- ◆ *What are the tax breaks?*
- ◆ *What are the conditions?*
- ◆ *What are the traps?*
- ◆ *How is EMI used in practice?*

#### The EOT Structure in March 2020 – Where We Are Today

- ◆ *Overview of the Employee Ownership Trust (EOT) structure*
- ◆ *Tax and non-tax incentives available to vendors and employees*
- ◆ *What ownership percentage may be optimal to sell to an EOT?*
- ◆ *The current financing environment for EOT transactions*
- ◆ *Constraints limiting the adoption of the EOT structure for vendors seeking to exit their business (financing availability, documentation, management incentives, etc.)*
- ◆ *General considerations for vendors in succession and exit planning*

#### Valuing your SME, so that shares can be issued

- ◆ *Meaning of market value through statute and case law*
- ◆ *Application of the recognised bases of valuation to the SME*
- ◆ *Influence of the percentage stake and the minority interest*
- ◆ *Impact of funding prices and subscription prices on valuation*
- ◆ *Case study positions from my files*

#### Growth Shares: curing share scheme malaise with synthetic exits

- ◆ *Diagnose and treat share scheme malaise*
- ◆ *What are growth shares and how should they be structured?*
- ◆ *Understand and avoid the minority discount trap*
- ◆ *The good, the bad and the put option*
- ◆ *Reconciling the risks of the convertible securities regime and corporate practice.*

#### Other employee share plans for SMEs

- ◆ *What's better: non-qualifying options, nil paid shares, JSOPs, CSOPs.*